

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 29**

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**Introduced by Assembly Member Williams**

December 3, 2012

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*An act to add Chapter 4 (commencing with Section 99170) to Part 65 of Division 14 of Title 3 of the Education Code, relating to energy efficiency, and making an appropriation therefor.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 29, as amended, Williams. Proposition 39: implementation.

The California Clean Energy Jobs Act, an initiative approved by the voters at the November 6, 2012, statewide general election as Proposition 39, made changes to corporate income taxes and, except as specified, provides for the transfer of \$550,000,000 annually from the General Fund to the Clean Energy Job Creation Fund for 5 fiscal years beginning with the 2013–14 fiscal year. Moneys in the Clean Energy Job Creation Fund are available, upon appropriation by the Legislature, for purposes of funding eligible projects that create jobs in California improving energy efficiency and expanding clean energy generation. Existing law provides for allocation of these funds to public school facilities, university and college facilities, other public buildings and facilities, as well as job training and workforce development, and public-private partnerships, for eligible projects, as specified.

~~This bill would state the intent of the Legislature to enact legislation that would use a portion of funds available in the Clean Energy Job Creation Fund to create 3 revolving loan funds for the University of California, the California State University, and the California Community Colleges for energy efficiency retrofit projects, clean energy~~

installations, and other energy system improvements to reduce costs and achieve energy savings and environmental benefits. The revolving loan funds would be administered by the respective institutions, as specified. The bill would also make legislative findings and declarations: require the California Energy Commission to administer, in coordination with the Public Utilities Commission, the Office of the President of the University of California, the Office of the Chancellor of the California State University, and the Office of the Chancellor of the California Community Colleges, grants, loans, or other financial assistance to the University of California, the California State University, and the California Community Colleges for projects that create jobs in California by reducing energy demand and consumption at eligible institutions.

The bill would appropriate \$152,000,000 for each of the 2013–14 to 2017–18 fiscal years, inclusive, from the Clean Energy Job Creation Fund to the California Energy Commission, in each fiscal year in which at least that amount is transferred to that fund, for allocation to the University of California, the California State University, and the California Community College for these projects, in accordance with a prescribed schedule and prioritized as specified.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California leads the nation in developing and implementing
- 4 successful energy efficiency efforts.
- 5 (b) California has identified energy efficiency as one of its top
- 6 priorities.
- 7 (c) California should continue to lead by example by ensuring
- 8 that its public higher educational institutions are achieving the
- 9 state's energy goals.
- 10 (d) School districts that have struggled with budget cuts have
- 11 utilized clean energy to achieve future cost savings, and, as a result,
- 12 have leveraged savings to support or save critical school programs.
- 13 (e) It is therefore the intent of the Legislature to ensure that the
- 14 revenue in the Clean Energy Job Creation Fund derived from
- 15 Proposition 39, approved by the voters at the November 6, 2012,

1 statewide general election, is appropriately distributed for the  
2 purposes intended by the voters, namely to fund clean energy and  
3 energy efficiency improvements at public schools, colleges and  
4 universities, and other eligible facilities, while training an energy  
5 efficiency and clean energy workforce, thereby reducing public  
6 agency costs for energy and saving taxpayers money for years to  
7 come.

8 ~~SEC. 2.—It is the intent of the Legislature enact legislation that~~  
9 ~~would to use a portion of funds available in the Clean Energy Job~~  
10 ~~Creation Fund, created by Proposition 39, to create three revolving~~  
11 ~~loan funds for the University of California, the California State~~  
12 ~~University, and the California Community Colleges to be~~  
13 ~~administered, respectively, by the Office of the President of the~~  
14 ~~University of California, the Office of the Chancellor of the~~  
15 ~~California State University, and the Office of the Chancellor of~~  
16 ~~the California Community Colleges. Money in each of these~~  
17 ~~revolving loan funds would be available for energy efficiency~~  
18 ~~retrofit projects, clean energy installations, and other energy system~~  
19 ~~improvements to reduce costs and achieve energy savings and~~  
20 ~~environmental benefits.~~

21 *SEC. 2. Chapter 4 (commencing with Section 99170) is added*  
22 *to Part 65 of Division 14 of Title 3 of the Education Code, to read:*  
23

24 *CHAPTER 4. CLEAN ENERGY JOB CREATION FUND PROJECTS*  
25

26 *99170. (a) The California Energy Commission shall*  
27 *administer, in coordination with the Public Utilities Commission,*  
28 *the Office of the President of the University of California, the*  
29 *Office of the Chancellor of the California State University, and*  
30 *the Office of the Chancellor of the California Community Colleges,*  
31 *grants, loans, or other financial assistance to the University of*  
32 *California, the California State University, and the California*  
33 *Community Colleges for projects that create jobs in California by*  
34 *reducing energy demand and consumption at eligible institutions*  
35 *in accordance with this section.*

36 *(b) One hundred fifty-two million dollars (\$152,000,000) is*  
37 *appropriated for purposes of this section for each of the 2013–14*  
38 *to 2017–18 fiscal years, inclusive, from the Clean Energy Job*  
39 *Creation Fund to the California Energy Commission in each fiscal*  
40 *year when funds in at least that amount are transferred to the*

1 *Clean Energy Job Creation Fund pursuant to Section 26205 of*  
2 *the Public Resources Code, in accordance with all of the following:*

3 (1) *Not more than seventy million dollars (\$70,000,000) shall*  
4 *be allocated for the University of California.*

5 (2) *Not more than thirty-two million dollars (\$32,000,000) shall*  
6 *be allocated for the California State University.*

7 (3) *Not more than fifty million dollars (\$50,000,000) shall be*  
8 *allocated for the California Community Colleges.*

9 (c) *To implement this section, the California Energy Commission*  
10 *shall do all of the following:*

11 (1) *Administer grants, loans, or other financial assistance to*  
12 *projects that satisfy the criteria in Section 26206 of the Public*  
13 *Resources Code.*

14 (2) *Ensure that both of the following occur:*

15 (A) *For each segment of public higher education, not more than*  
16 *50 percent of funds appropriated pursuant to subdivision (b) shall*  
17 *be used for grants. These grants shall support proposals for which*  
18 *at least one dollar (\$1) of funding from other sources is provided*  
19 *for every dollar granted pursuant to this chapter.*

20 (B) *For each segment of public higher education, not less than*  
21 *50 percent of funds appropriated pursuant to subdivision (b) shall*  
22 *be used for financing low-interest loans, loan loss reserves, and*  
23 *revolving loan funds.*

24 (3) *Utilize existing resources, programs, and expertise to the*  
25 *extent possible.*

26 (4) (A) *Establish a system to prioritize eligible institutions for*  
27 *loans and other financial assistance through this section in*  
28 *consultation with the Office of the President of the University of*  
29 *California, the Office of the Chancellor of the California State*  
30 *University, and the Office of the Chancellor of the California*  
31 *Community Colleges.*

32 (B) *The process of prioritization under this subdivision shall*  
33 *take into consideration, but not necessarily be limited to*  
34 *consideration of, all of the following factors:*

35 (i) *The potential for demand reduction.*

36 (ii) *The duration of the payback period.*

37 (iii) *The amount of flexibility a project will create for local*  
38 *budgets.*

39 (C) *The financing of loans under this section shall be prioritized*  
40 *over matching grants.*

1     (d) *The California Energy Commission shall ensure that*  
2     *adequate energy audit, measurement, and verification procedures*  
3     *are employed to ensure that energy savings and greenhouse gas*  
4     *emissions reductions occur as a result of any grants, loans, or*  
5     *other financial assistance provided pursuant to this section.*

6     (e) *It is the intent of the Legislature that monetary savings at*  
7     *eligible institutions from retrofit and installation projects pursuant*  
8     *to this section be used to benefit students and learning at those*  
9     *institutions.*

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